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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:
PG&E CORPORATION,

- and -

PACIFIC GAS AND ELECTRIC COMPANY,

Debtors.

Case No. 19-30088 (DM)
Chapter 11
(Lead Case)
(Jointly Administered)

**STIPULATION MODIFYING PLAN
INJUNCTION (ENRIQUE GUZMAN)**

[No Hearing Requested]

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as reorganized debtors (collectively, the “**Debtors**” and as reorganized pursuant to the Plan (as defined below), the “**Reorganized Debtors**”) in the above-captioned cases (the “**Chapter 11 Cases**”) and Enrique Guzman (“**Guzman**,” and, together with the Debtors and Reorganized Debtors, the “**Parties**”), on the other hand, by and through their respective counsel, hereby submit this stipulation (the “**Stipulation**”) for an order modifying the Plan Injunction (as defined below) to permit the Parties to file a Joint Motion for Determination of Good Faith Settlement pursuant to California Code of Civil Procedure section 877.6 (the “**Joint Good Faith Settlement Motion**”) in the Case No. CGC-16-554005 pending in the San Francisco County Superior Court (the “**San Francisco County Action**”). The Parties hereby stipulate and agree as follows:

RECITALS

A. On September 1, 2016, Guzman filed the San Francisco County Action, seeking damages for injuries allegedly caused by striking one of the Utility’s underground electric lines while working on a sewer replacement project.

B. On January 29, 2019 (the “**Petition Date**”), the Debtors commenced these Chapter 11 Cases in the United States Bankruptcy Court for the Northern District of California (the “**Bankruptcy Court**”).

C. On March 13, 2019, Guzman timely filed a proof of claim against the Utility for \$4 million [Claim No. 1521] (the “**Proof of Claim**”).

D. By Order dated June 20, 2020 [Dkt. No. 8053] (the “**Confirmation Order**”) the Bankruptcy Court confirmed the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be further modified, amended or supplemented from time to time, and together with any exhibits or scheduled thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020. *See* Dkt. No. 8252.

E. Pursuant to section 7.2 of the Plan, the Reorganized Debtors are authorized to, among other things, compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims (as defined therein) and to compromise, settle, or otherwise resolve any Disputed

1 Claims without approval of the Bankruptcy Court. Pursuant to this provision, the Parties entered
2 into a settlement agreement dated August 4, 2020 (the “**Settlement Agreement**”) resolving the
3 Proof of Claim. A true and correct copy of the Settlement Agreement is attached hereto as
4 **Exhibit A.**

5 F. The Settlement Agreement provides that the Parties filing the Joint Good Faith
6 Settlement Motion in the San Francisco County Action is a condition precedent to the enforcement
7 of the Settlement Agreement, and that the Settlement Agreement shall not be effective until the Joint
8 Good Faith Settlement Motion is granted.

9 G. Sections 10.5 and 10.6 of the Plan and Paragraphs 51 and 52 of the Confirmation
10 Order establish the “**Plan Injunction**,” which supersedes the automatic stay in most respects and
11 expressly prohibits (1) commencing, conducting, or continuing in any manner, directly or indirectly,
12 any suit, action, or other proceeding of any kind with respect to any pre-petition claims against the
13 Debtors or Reorganized Debtors, and (2) any effort to enforce, collect or recover on any judgment
14 based on any pre-petition claims.

15 H. The Parties hereto desire to modify the Plan Injunction in order to carry out the terms
16 of the Settlement Agreement to permit them to file and to litigate to conclusion the Joint Good Faith
17 Settlement Motion.

18 **NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE**
19 **INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT HEREBY IS**
20 **STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES, THROUGH THE**
UNDERSIGNED, AND THE PARTIES JOINTLY REQUEST THE BANKRUPTCY COURT
TO ORDER, THAT:

21 1. The Plan Injunction shall be modified solely to permit the Parties to file and litigate to
22 conclusion the Joint Good Faith Settlement Motion in the San Francisco County Action. For the
23 avoidance of doubt, this modification does not include discovery in support of or in opposition to a
24 Joint Good Faith Settlement Motion.

25 2. In the event that the terms of this Stipulation are not approved by the Bankruptcy
26 Court, it shall be null and void and have no force or effect and the Parties agree that, in such
27 circumstances, this Stipulation shall be of no evidentiary value whatsoever in any proceedings.
28

1 3. This Stipulation shall be binding on the Parties and each of their successors in
2 interest.

3 4. This Stipulation shall constitute the entire agreement and understanding of the Parties
4 relating to the subject matter hereof and supersede all prior agreements and understandings relating
5 to the subject matter hereof.

6 5. This Stipulation may be executed in counterparts, each of which shall be deemed an
7 original but all of which together shall constitute one and the same agreement.

8 6. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or
9 controversies arising from this Stipulation or any Order approving the terms of this Stipulation.

10 Dated: August 13, 2020

Dated: August 13, 2020

11 WEIL, GOTSHAL & MANGES LLP
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13 /s/ Peter J. Benvenutti
14 Peter J. Benvenutti

/s/ Jonathan E. Davis
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15 Attorneys for Debtors
16 and Reorganized Debtors

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